## ABSTRACT OF THE DISCLOSURE

To provide a drive circuit, a drive method, a display device, and a projection display device capable of increasing contrast of an image a mean gray level (first gray level characterizing brightness) Gf is detected from an image signal DATA per unit time. On the basis of the mean gray level Gf, a variation signal  $\Delta S$  is set. By supplying the variation signal  $\Delta S$  to an opposing electrode, the image signal DATA applied to a liquid crystal layer is modulated. In accordance with an increase in the mean gray level Gf, the gray level of an effective signal applied to the liquid crystal layer (image signal modulated using the variation signal  $\Delta S$ ) is set to be greater than the gray level of the unmodulated image signal.